Message Text

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TO SECSTATE WASHDC 4171

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INFO AMEMBASSY BEIRUT

AMEMBASSY JIDDA

UNCLAS DAMASCUS 2988

E.O. 11652: N/A

TAGS: BEXP, BTIO, SY

SUBJ: U.S. CONSTRUCTION GROUP PRE-QUALIFIED FOR \$60

MILLION SPORTS CITIES PROJECT FOR OCT 1976 PAN ARAB GAMES

1. SUMMARY: GROUP OF AMERICAN DESIGN/CONSTRUCTION FIRMS HAS BEEN CHOSEN BY SARG SPECIAL COMMITTEE AS ONE OF 15 FIRMS QUALIFIED TO BID ON \$60 MILLION SPORTS CITIES TO BE BUILT IN DAMASCUS FOR OCT 1976 PAN ARAB GAMES. THIS IS PRIME OPPORTUNITY FOR US CONSTRUCTION WORK TO BE REINTRODUCED INTO SYRIAN MARKET AFTER LONG ABSENCE. EMBASSY PLANS TO PUSH HARD ON BEHALF OF US GROUP BUT URGENTLY NEEDS FROM STATE/USDOC DETAILED COMMERCIAL CHECK AND FRANKER THAN USUAL COMMENTS ON ABILITIES/QUALIFICATIONS OF US FIRMS SO AS TO BE ON FIRM GROUND IN URGING SARG TO SELECT US GROUP'S BID ON THIS TIGHT-DEADLINE, HIGHLY VISIBLE PROJECT. END SUMMARY:

2. EMBASSY HAS BEEN BRIEFED BY US REPRESENTATIVES OF FOL-LOWING AMERICAN FIRMS CONCERNING THEIR PRE-QUALIFICATION AS A GROUP AMONG 15 FIRMS FRO CONSTRUCTION OF THREE SPORTS CITIES IN DAMASCUS TO BE USED DURING PAN ARAB GAMES IN DAMASCUS TO OPEN OCT 6, 1976:

A. HELLMUTH, OBATA AND KASSABAUM, INC., (HOK) ARCHITECTS, 315 NORTH NINTH STREE, SAINT LOUIS, MISSOURI 63101; TEL. 314/421-0343; LAWRENCE S. HLTENGREN, CONSTRUCTION ADMINISTRATOR.

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B. JOE M. RODGERS AND ASSOCIATES, INC., JMR CONTRACTORS AND ENGINEERS, INTERNATIONAL PLAZA, PO BOX 17387 NASHVILLE, TENN. 37217; TELEX 555167; FRED RULE, REP.

C. FOSTER AND CREIGHTON COMPANY, THOMPSON LANE AND FOSTER CREIGHTON DRIVE, PO BOX 11077, NASHVILLE, TENN. 37211; TEL. 259-9400; WILBUR F. CREIGHTON III, PRESIDENT, H. ROY SLAYMAKER, EXECUTIVE VICE PRESIDENT.

D. BENHAM, BLAIR AND ASSOCIATES, INC., OKLAHOMA CITY, OKLA. WHICH CREIGHTON SAID IS ALSO MEMBER OF GROUP.

- 3. COMPANY REPS REPORT THAT SYRIAN GOVERNMENT VERY CONCERNED OVER ITS OWN DELAYS IN PREPARING FOR PAN ARAB GAMES AND SARG HAS BELATEDLY REALIZED ITS ONLY HOPE AT THIS LATE DATE IS TO TURN ENTIRE PROJECT, INITIALLY ESTIMATED TO COST \$60 MILLION, OVER TO FOREIGN CONTRACTOR. SPECIAL SARG COMMITTEE HAS BEEN SET UP TO OVERSEE PROJECT, REVIEW TENDERS AND AWARD BID. AMERICAN REPS PLAN TO RETURN DAMASCUS AROUND AUG 19 TO PRESENT THEIR BID ON AUG 21.
- 4. THREE SPORTS CITIES ARE TO INCLUDE USUAL SPORTS FACILITIES AND ALSO APARTMENTS AND HOTELS. HOK, PARA 2A ABOVE, IS LEADER OF US GROUP, ONLY AMERICAN GROUP OR FIRM CHOSEN AS QUALIFIED. HULTENGREN OF HOK SAYS TOUGHEST COMPETITION WILL COMZ FROM BAUER OF GERMANY (DID OLYMPICS AT MUNICH) AND UNICONSULT OF SWEDEN WHICH ALREADY HAS CONSIDERABLE EXPERIENCE IN SYRIA. AMONG OTHER 15 PRE-QUALIFIED FIRMS ARE SEVERAL FROM FRANCE AND SMALLER NUMBER FROM UK AND SWITZERLAND. BRITISH EMBASSY SOURCE SAYS BRITISH ARE KEEN ON PROJECT AS IT WOULD BE VERY PROMINENT CONTRACT FOR BRITISH TO WIN AFTER HAVING BEEN ABSENT (AS HAS US) FROM SYRIAN MARKET FOR CONSIDERABLE PERIOD.
- 5. HULTENGREN OF HOK SAYS ONLY WAY TO COMPLETE PROJECT BY OCT 6, 1976 (WITH INTERVENING AUGUST 1976 RAMADAN PERIOD) WILL BE TO PRE-FAB MOST OF ACILITIES IN US WITH ONLY FOUNDATIONS LOCALLY CONSTRUCTED. THIS APPROACH WILL REQUIRE TIGHT DEADLINES ON PRE-FAB WORK, TIGHT SHIPPING SCHEDULES AND UNLOADINGS IN SYRIAN PORTS AND PRESENCE IN DAMASCUS OF AMERICAN CONSTRUCTION CREW NUMBERING 50 TO 60, SOME TO UNCLASSIFIED

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INCLUDE FAMILIES.

6. COMMENT: WINNING OF THIS DIFFICULT CONTRACT BY US GROUP WOULD MEAN FIRST LARGE-SCALE AMERICAN DESIGN AND CONSTRUCTION PRESENCE IN SYRIA FOR 17 YEARS. HIGHLY VISIBLE PROJECT SUCH AS SPORT FACILITIES FOR PAN ARAB GAMES IN SYRIAN CAPITAL WILL MEAN EXCELLENT SPIN-OFF AND FOLLOW-ON ACTIVITIES FOR US FIRMS IN SYRIAN CONSTRUCTION SECTOR WHERE

PRE-FAB HOUSING, HOSPITAL AND OTHER CONSTRUCTION ARE RECEIVING PRIORITY ATTENTION. THERE IS DEFINITE RISK IN ATTEMPTING MEET TIGHT DEADLINE, BUT HOK/HULTENGREN CONFIDENT AMERICAN GROUP CAN DO THE JOB. US GROUP IS TO PIN DOWN US SUPPLIERS/SHIPPERS PRIOR TO MAKING FINAL BID AUG 21.

7. ACTION REQUESTED:

A. STATE/USDOC: WE URGENTLY NEED COMMERCIAL BACKGROUND CHECK ON THIS US GROUP AS WE WANT TO BE ON FIRM GROUND PRIOR TO PUSHING HARD AT TOP LEVELS OF SARG ON BEHALF OF GROUP. WE BELIEVE OUR EFFORT WARRANTED BY HIGHLY VISIBLE NATURE AND SIZE OF PROJECT ND DESIRABILITY OF REINTRODUCING US CONSTRUCTION FIRMS IN SYRIA. LACK OF INTEREST ON PART OF SUCH LARGE US FIRMS HAS BEEN COMMENTED ON OFTEN BY HIGHLEVEL SARG OFFICIALS. NOW WE HAVE A PRIME OPPORTUNITY AND WE NEED USDOC/STATE ASSISTANCE RE BONA FIDES OF GROUP. WE WANT MORE THAN JUST DUN AND BRADSTREET AND USUAL COMMERICAL CHECK AND RECOMMEND SERIES OF CALLS TO FIRMS INVOLVED, THEIR BANKS AND CUSTOMERS AND FULL REPORT CABLED TO US.

B. JIDDA: HULTENGREN SAYS HOK HAS LARGE CONSTRUCTION CONTRACT IN RIYADH; APPRECIATE ANY COMMENTS YOU CAN GIVE US ON FIRM.

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